

SECOND REGULAR SESSION

SENATE BILL NO. 1392

92ND GENERAL ASSEMBLY

INTRODUCED BY SENATORS GOODE AND DOUGHERTY.

Read 1st time March 1, 2004, and ordered printed.

TERRY L. SPIELER, Secretary.

4843S.01I

AN ACT

To repeal section 334.253, RSMo, and to enact in lieu thereof one new section relating to physical therapists in rehabilitation facilities.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 334.253, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 334.253, to read as follows:

334.253. 1. A physician may not make a referral to an entity for the furnishing of any physical therapy services with whom the physician, physician's employer, or immediate family member of such referring physician has a financial relationship. A financial relationship exists if the referring physician, the referring physician's employer, or immediate family member:

(1) Has a direct or indirect ownership or investment interest in the entity whether through equity, debt, or other means; or

(2) Receives remuneration from a compensation arrangement from the entity for the referral.

2. The following financial arrangements shall be exempt from disciplinary action under this section:

(1) When the entity with whom the referring physician has an ownership or investment interest is the sole provider of the physical therapy service within a rural area;

(2) When the referring physician owns registered securities issued by a publicly held corporation or publicly traded limited partnership, the shares of which are traded on a national exchange or the over-the-counter market, provided that such referring physician's interest in the publicly held corporation or publicly traded limited partnership is less than five percent and the referring physician does not receive any compensation from such publicly held corporation or publicly traded limited partnership other than as any other owner of the

shares of such publicly held corporation or publicly traded limited partnership;

(3) When the referring physician has an interest in real property resulting in a landlord-tenant relationship between the physician and the entity in which the equity interest is held, unless the rent is determined, in whole or in part, by the business volume or profitability of the tenant or is otherwise unrelated to fair market value;

(4) When the indirect ownership in the entity is by means of a bona fide debt incurred in the purchase or acquisition of the entity for a price which does not in any manner reflect the potential source of referrals from the physician with the indirect interest in the entity and the terms of the debt are fair market value, and neither the amount or the terms of the debt in any manner, directly or indirectly, constitutes a form of compensating such physician for the source of his business;

(5) When such physician's employer is a health maintenance organization as defined in subdivision (6) of section 376.960, RSMo, and such health maintenance organization owns or controls other organizations which furnish physical therapy services so long as the referral is to such owned or controlled organization and the physician does not also have a direct or indirect ownership or investment interest in such organization, physical therapy services or the health maintenance organization and the referring physician does not receive any remuneration as the result of the referral;

(6) When such physician's employer is a hospital defined in section 197.020, RSMo, and such hospital owns or controls other organizations which furnish physical therapy services so long as the referral is to such owned or controlled organization and the physician does not also have a direct or indirect ownership or investment interest in such organization, physical therapy service, or the hospital and the referring physician does not receive any remuneration as the result of the referral.

3. The provisions of sections 334.252 and 334.253 shall become effective January 1, 1995.

4. Nothing in this section shall be interpreted to prohibit the employment of physical therapists in a rehabilitation facility that is affiliated with a not-for-profit organization or hospital and that meets national standards of performance accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF).